

4177
RECEIVED
LEGISLATIVE AUDITOR
05 MAR 14 AM 11:33

FIFTH MUNICIPAL DISTRICT ASSESSOR

NEW ORLEANS, LOUISIANA, PARISH OF ORLEANS

COMPILATION REPORT AND
GENERAL PURPOSE FINANCIAL STATEMENTS

APRIL 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-16-05

Fifth Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

TABLE OF CONTENTS

ACCOUNTANT'S COMPILATION REPORT

FINANCIAL STATEMENTS:

EXHIBITS:

General Purpose Financial Statements:

- | | |
|-----|---|
| "A" | Combined Balance Sheet - All
Fund Types And Account Groups |
| "B" | Statement Of Revenues,
Expenditures And Changes
In Fund Balance - All
Governmental Fund Types |
| "C" | Statement Of Revenues,
Expenditures And Changes
In Fund Balance - Budget
And Actual - All Governmental
Fund Types |

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

LOUISIANA ATTESTATION QUESTIONNAIRE

SCHEDULE OF FINDINGS

SCHEDULE OF PRIOR YEAR FINDINGS

**PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO
L.L.C.**

S. IRVIN TODARO
WILLIAM C. ABADIE, JR.
JAMES M. KOLWE
LUCILLE M. HESS
WAYNE I. BABIN, JR.

ROBERT W. THERIOT

CERTIFIED PUBLIC ACCOUNTANTS
1815 CLEARVIEW PARKWAY
METAIRIE, LA 70001
TEL (504) 837-4555
FAX (504) 837-4551

JOHN F. HARTMAN (1890-1967)
WILLIAM G. ALY (1901-1995)
EUGENE F. MONNIER (1905-1985)
EMILE A. ALT (1910-1989)
JAMES J. GALLAGHER, JR. (1918-1989)
JACOB F. PEPPERMAN (1927-1990)
WILFRED SCHWARTZ, RETIRED
MICHAEL S. HOOK (1954-1997)
LAWRENCE A. EMBOULAS, RETIRED

ACCOUNTANT'S COMPILATION REPORT

Mr. Thomas L. Arnold, Assessor

Fifth Municipal District Assessor

Parish Of Orleans

New Orleans, Louisiana

We have compiled the accompanying general purpose financial statements of the FIFTH MUNICIPAL DISTRICT ASSESSOR, PARISH OF ORLEANS, NEW ORLEANS, LOUISIANA, as of April 30, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated March 8, 2005 on the results of our agreed-upon procedures.

Pepperman, Emboulas, Schwartz & Todaro, L.L.C.

Metairie, Louisiana
March 8, 2005

**COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
APRIL 30, 2004**

	<u>GOVERNMENTAL FUND TYPE</u>	<u>ACCOUNT GROUPS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	
<u>ASSETS AND OTHER DEBITS:</u>			
Cash	\$ 8,396	\$ ---	\$ 8,396
Account Receivable - Fees	892	---	892
Fixed Assets	<u>---</u>	<u>110,535</u>	<u>110,535</u>
Total Assets And Other Debits	<u>\$ 9,288</u>	<u>\$110,535</u>	<u>\$119,823</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</u>			
Liabilities:			
Accounts Payable	\$ 7,928	\$ ---	\$ 7,928
Total Liabilities	<u>\$ 7,928</u>	<u>\$ ---</u>	<u>\$ 7,928</u>
Fund Equity And Other Credits:			
Investment In General			
Fixed Assets	\$ ---	\$110,535	\$110,535
Fund Balance:			
Unreserved - Undesignated	<u>1,360</u>	<u>---</u>	<u>1,360</u>
Total Fund Equity And Other Credits	<u>\$ 1,360</u>	<u>\$110,535</u>	<u>\$111,895</u>
Total Liabilities, Fund Equity And Other Credits	<u>\$ 9,288</u>	<u>\$110,535</u>	<u>\$119,823</u>

Fifth Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

Exhibit "B"

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED APRIL 30, 2004

	<u>GENERAL FUND</u>
<u>REVENUES:</u>	
Intergovernmental Revenues:	
Compensation From Taxing Bodies	\$205,372
On-Behalf Payments	<u>111,175</u>
Total Revenues	<u>\$316,547</u>
 <u>EXPENDITURES:</u>	
General Government - Taxation:	
Personal Services And Related Benefits	\$254,889
Materials And Supplies	18,775
Other Services And Charges	900
Travel And Other Charges	29,365
Miscellaneous Charges	<u>25,177</u>
Total Expenditures	<u>\$329,106</u>
 <u>EXCESS OF EXPENDITURES OVER REVENUE</u>	 (\$ 12,559)
 <u>OTHER FINANCING SOURCES (USES):</u>	
Transfers (To) From:	
General Fixed Assets Account Group:	
Purchases	(<u>5,539</u>)
 <u>EXCESS OF EXPENDITURES AND OTHER USES OVER REVENUES AND OTHER SOURCES</u>	 (\$ 18,098)
 <u>FUND BALANCE AT BEGINNING OF YEAR</u>	 <u>19,458</u>
 <u>FUND BALANCE AT END OF YEAR</u>	 <u>\$ 1,360</u>

See Accompanying Notes And Accountant's Report

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED APRIL 30, 2004

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES:</u>			
Intergovernmental Revenues:			
Compensation From Taxing Bodies	\$205,000	\$205,372	\$ 372
On-Behalf Payments	<u>110,000</u>	<u>111,175</u>	<u>1,175</u>
Total Revenues	<u>\$315,000</u>	<u>\$316,547</u>	<u>\$ 1,547</u>
<u>EXPENDITURES:</u>			
General Government - Taxation:			
Personal Services And Related Benefits	\$243,000	\$254,889	(\$ 11,889)
Materials And Supplies	18,000	18,775	(775)
Other Services And Charges	3,000	900	2,100
Travel And Other Charges	27,000	29,365	(2,365)
Miscellaneous Charges	<u>24,000</u>	<u>25,177</u>	<u>(1,177)</u>
Total Expenditures	<u>\$315,000</u>	<u>\$329,106</u>	<u>(\$ 14,106)</u>
<u>EXCESS OF EXPENDITURES OVER REVENUES</u>	\$ ---	(\$ 12,559)	(\$ 12,559)
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers (To) From:			
General Fixed Assets Account Group:			
Purchases	<u>---</u>	<u>(5,539)</u>	<u>(5,539)</u>
<u>EXCESS OF EXPENDITURES AND OTHER USES OVER REVENUES AND OTHER SOURCES</u>	\$ ---	(\$ 18,098)	(\$ 18,098)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>19,458</u>	<u>19,458</u>	<u>---</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 19,458</u>	<u>\$ 1,360</u>	<u>(\$ 18,098)</u>

Fifth Municipal District Assessor
Parish Of Orleans
New Orleans, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2004

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:

INTRODUCTION:

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, there shall be seven assessors in New Orleans who shall compose the Board Of Assessors for Orleans Parish. One Assessor shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which he is elected.

All assessor offices are located on the 4th floor of the Orleans Parish City Hall, 1300 Perdido Street. Louisiana Revised Statute (R.S.) 47:1909 states that the governing authority of the city of New Orleans shall provide suitable rooms in the city hall for the use of the assessor of each municipal district and for the use of the board of assessors. Therefore, the upkeep and maintenance costs of the assessors' offices are not included in the accompanying financial statements.

The Board of Assessors, Parish of Orleans (board), comprised of the seven Orleans Parish assessors, is the administrative body for the Orleans Parish assessors and their seven municipal districts. R.S. 47:1909 provides that the assessors elected in the Parish of Orleans shall constitute a board of assessors for the parish and each assessor shall independently exercise his functions in the assessing and listing of the property in and for his respective district within the parish.

The assessor assesses all real and movable property in his municipal district subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers in his district. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies. The assessor employs four (4) employees, including three (3) deputies.

In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by August 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector, who is responsible for collecting and distributing taxes to the various taxing bodies.

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

INTRODUCTION: (Continued)

The board's primary revenue is ad valorem taxes collected by the New Orleans Department of Finance - Bureau of Treasury (city tax collector) from the assessment tax rolls of the parish. The seven Orleans Parish assessors receive an allotment from the board on a pro-rata basis for operation of their offices. The remaining funds of the board are used to pay the assessors' salaries and fringe benefits and administrative expenses of the board.

At December 31, 2003, real property and movable property assessments totaled \$154,388,490 and \$19,269,453, respectively. This represents an increase of \$4,429,785 in the total value of assessments. Total tax assessments increase was caused primarily by the increasing value of real property assessments in the district during the year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF PRESENTATION:

The accompanying financial statements of the Fifth Municipal District Assessor, Parish Of Orleans, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B) REPORTING ENTITY:

For financial reporting purposes, the Assessor includes all funds, account groups, activities, et cetera, that are controlled by the assessor as an independently elected parish official. The activities of other independently elected parish officials and municipal level governments are not included within the accompanying financial statements, as they are considered autonomous governments. These units of government issue financial statements separate from that of the parish assessors.

C) FUND ACCOUNTING:

The Assessor's office uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C) FUND ACCOUNTING: (Continued)

Funds of the Assessor's office are classified as governmental funds. Governmental funds account for the Assessor's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. Governmental funds of the Assessor's office include:

Governmental Fund Types:
General Fund:

The General Fund is the general operating fund of the Assessor's Office. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Account Groups:
General Fixed Assets:

Fixed assets are accounted for in the General Fixed Assets Account Group rather than in the governmental funds. No depreciation has been provided on fixed assets. Fixed assets are valued at historical costs.

An account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

D) BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The Assessor's records are maintained on the cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues:
Revenues are recorded as received in cash.

Expenditures:
Expenditures are recorded on the accrual basis.

Other Financing Sources (Uses):
Transfers between funds that are not expected to be repaid are accounted for as Other Financing Sources (Uses).

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E) BUDGET PRACTICES:

Included in the annual budget of the Fifth Municipal District Assessor, Parish Of Orleans, proposed expenditures for the year ending April 30, 2004 were less than \$250,000 and, therefore, public inspection privileges and public hearings do not apply. However, the budget is available for public inspection at the Assessor's Office.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the originally adopted budgeted amounts. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Assessor utilizes the traditional budget preparation method of budgeting for his financial plan. Revenues projected for the year ended April 30, 2004 were estimated based on millage collections allocated to the Board Of Assessors. A portion of these revenues is allocated to the Fifth Municipal District for its salary and expense fund. Expenditures of prior years are considered when preparing the budget for the current year.

Unused appropriations for all budgeted funds lapse at year end.

F) ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES:

On-behalf payments for fringe benefits and salaries totaled \$111,175 for the year. The Assessor's salary of \$87,740 was paid directly to the Assessor from the board. In addition, the board paid fringe benefits totaling \$23,435 on-behalf of the Assessor. On-behalf payments are reported as revenues (on-behalf payments) and expenditures (personal services and related benefits) in Exhibit B.

Certain operating expenditures of the Assessor's office are paid by the city of New Orleans and are not included in the accompanying financial statements. These operating expenditures include office space, utilities, telephones, and janitorial services.

G) ENCUMBRANCES:

Encumbrances accounting, under which commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not used by the Assessor's Office because it is considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control. Therefore, there were no outstanding encumbrances at April 30, 2004.

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H) CASH AND CASH EQUIVALENTS:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Assessor's Office considers all highly liquid debt instruments, time deposits and those investments with original maturities of 90 days or less to be cash equivalents. Under state law, the assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Under state law, the assessor may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

I) GENERAL FIXED ASSETS:

General fixed assets are recorded as expenditures at the time purchased, and the related assets are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All general fixed assets are valued at historical cost.

J) COMPENSATED ABSENCES:

The Assessor's office does not employ a formal sick leave policy. Employees are entitled to two weeks paid vacation after one year of employment. There is no accumulation or vesting of leave or vacation.

It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Assessor's policy is to recognize the costs of compensated absences when actually paid to employees.

K) USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - RISK MANAGEMENT:

The Assessor's Office is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Assessor's Office is covered by commercial insurance carried by the Board of Assessors. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 5 - RELATED PARTY TRANSACTIONS:

On January 1, 2001, the Assessor's Office started leasing an automobile from Thomas L. Arnold on a month to month basis. Currently the monthly lease payment under this month to month leasing arrangement amounts to \$727.

At April 30, 2004, the total amount paid under this leasing arrangement amounted to \$8,724.

NOTE 6 - OPERATING LEASES:

The Assessor's Office leases a truck under the terms of an operating lease. The monthly lease payments are charged to expenditures as incurred. The scheduled future minimum payments under this lease are as follows:

<u>YEAR ENDING</u> <u>APRIL 30,</u>	<u>AMOUNT</u>
2005	\$ 4,690
2006	<u>3,908</u>
	<u>\$ 8,598</u>

NOTE 7 - PENSION PLAN:

Plan Description:

Substantially all employees of the Fifth Municipal District Assessor are members of the Louisiana Assessors Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

NOTE 1 - INTRODUCTION AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES: (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

L) TOTAL COLUMNS ON THE STATEMENTS - OVERVIEW:

The total columns on the financial statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH:

The following is a summary of cash at April 30, 2004.

	<u>GENERAL FUND</u>
Demand Deposits - First Bank And Trust	<u>\$ 8,396</u>

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the parties involved. At April 30, 2004 there were no unsecured deposits.

NOTE 3 - GENERAL FIXED ASSETS - ACCOUNT GROUP:

The following is a summary of the changes in General Fixed Assets Account Group.

	<u>AUTOMOTIVE</u>	<u>OFFICE EQUIPMENT</u>	<u>TOTAL</u>
Balance, May 1, 2003	\$ 10,850	\$ 94,146	\$104,996
Purchases	---	5,539	5,539
(Deletions)	<u>---</u>	<u>---</u>	<u>---</u>
Balance, April 30, 2004	<u>\$ 10,850</u>	<u>\$ 99,685</u>	<u>\$110,535</u>

NOTE 7 - PENSION PLAN: (Continued)

Plan Description: (Continued)

All full-time employees that are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service prior to July 1999, and 3.33% for each year of credited service earned after that date, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898, or by calling (225)928-8886.

Funding Policy:

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Fifth Municipal District Assessor is required to contribute at an actuarially determined rate. The current rate is 14.00 percent of annual covered payroll. Contributions to the System also include one percent of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Fifth Municipal District Assessor, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Fifth Municipal District Assessor's contributions to the System for the years ending April 30, 2004, 2003 and 2002, were \$12,608, \$11,177, and \$7,459, respectively, equal to the required contributions for each year.

NOTE 8 - DEFERRED COMPENSATION PLAN:

The Assessor's office participates in a 457(b) deferred compensation plan known as the Louisiana Public Employees Deferred Compensation Plan. Eligible employees may elect to defer a portion of their gross salaries under the plan. The Assessor's office provides a discretionary contribution equal to a percentage of each employees' salary reduction. This percentage is determined annually. The Assessor's office's contribution for the year ended April 30, 2004 amounted to \$2,856.

NOTE 9 - GASB 34 IMPLEMENTATION:

The GASB issued Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, in June 1999. The date of implementation is effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999 (earlier application is encouraged). The Assessor is required to implement the provisions for the pronouncement for financial statements for the period beginning after June 15, 2003, because total annual revenues were less than \$10 million in the year ending December 31, 1999. GASB Statement Number 34 establishes a new governmental financial reporting model that will feature, among other significant changes, *Management's Discussion and Analysis*, a unique combination of fund-based and government-wide financial statements, and required supplementary information. The effects on the Assessor's financial statement are not known at this time; however, the pronouncement will be implemented for the year ending April 30, 2005, if not implemented earlier.

**PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO
L.L.C.**

S. IRVIN TODARO
WILLIAM C. ABADIE, JR.
JAMES M. KOLWE
LUCILLE M. HESS
WAYNE J. BABIN, JR.

ROBERT W. THERIOT

CERTIFIED PUBLIC ACCOUNTANTS
1815 CLEARVIEW PARKWAY
METAIRIE, LA 70001
TEL (504) 837-4555
FAX (504) 837-4551

JOHN F. HARTMAN (1890-1967)
WILLIAM G. ALY (1901-1995)
EUGENE F. MONNIER (1905-1985)
EMILE A. ALT (1910-1989)
JAMES J. GALLAGHER, JR. (1918-1989)
JACOB F. PEPPERMAN (1927-1990)
WILFRED SCHWARTZ, RETIRED
MICHAEL S. HOOK (1954-1997)
LAWRENCE A. EMBOULAS, RETIRED

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Thomas L. Arnold, Assessor

Fifth Municipal District Assessor

Parish Of Orleans

New Orleans, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Fifth Municipal District Assessor, Parish of Orleans, and the Legislative Auditor, State Of Louisiana, solely to assist the users in evaluating management's assertions about the Assessor's Office compliance with certain laws and regulations during the year ended April 30, 2004 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$15,000. Additionally, there were no expenditures made for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Assessor as defined by LSA-RS 42:1101-1124 (The Code of Ethics), and a list of outside business interests of the Assessor and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedures "3") appeared on the list provided by management in agreed-upon procedure (2) as immediate family members.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the letter from the Assessor dated April 28, 2003 which officially authorizes the implementation of the adopted budget of the Assessor's Office. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared revenues and expenditures of the final budget to actual revenues and expenditures. As stated in the Summary of Significant Accounting Policies, the Assessors does not use formal budgetary integration as a management control device during the year. Therefore budget figures are original amounts without amendment.

Actual revenues did not fail to meet budgeted revenues by 5% or more.

Actual expenditures that exceeded budgeted amounts by more than 5% are as follows:

	(Unfavorable)
	<u>Variance</u>
Travel And Other Charges	(8.75%)

This unfavorable variance is due to unforeseen increases in the cost of gasoline, travel and other automotive expenses not anticipated at the time of budget preparation.

Accounting And Reporting

8. Randomly select six (6) disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six (6) selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

We examined supporting documentation for each of the six (6) selected disbursements and found that all were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six (6) selected disbursements indicated approvals from the Assessor.

Meetings

9. Examine evidence indicating that agendas for meetings were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Fifth Municipal District Assessor's Office is comprised of the Assessor, an independently elected official and his employees. The Assessor's Office provides an administrative function only and held no meetings to deliberate or act upon policy making decisions. Management has asserted that the Assessor's Office has complied with the provisions of the open meetings law, however, our inquiry indicated that there were no meetings held, as the public body subject to the open meetings law consists of the Assessor alone.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated October 29, 2003, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Fifth Municipal District Assessor, Parish of Orleans and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Peggyman, Eraboulas, Schwarty & Todaro, L.L.C.

Metairie, Louisiana
March 8, 2005

**PEPPERMAN, EMBOULAS, SCHWARTZ & TODARO
L.L.C.**

S. IRVIN TODARO
WILLIAM C. ABADIE, JR.
JAMES M. KOLWE
LUCILLE M. HESS
WAYNE J. BABIN, JR.

ROBERT W. THERIOT

CERTIFIED PUBLIC ACCOUNTANTS
1815 CLEARVIEW PARKWAY
METAIRIE, LA 70001
TEL (504) 837-4555
FAX (504) 837-4551

JOHN F. HARTMAN (1890-1967)
WILLIAM G. ALY (1901-1995)
EUGENE F. MONNIER (1905-1985)
EMILE A. ALT (1910-1989)
JAMES J. GALLAGHER, JR. (1918-1989)
JACOB F. PEPPERMAN (1927-1990)
WILFRED SCHWARTZ, RETIRED
MICHAEL S. HOOK (1954-1997)
LAWRENCE A. EMBOULAS, RETIRED

March 8, 2005

To Thomas L. Arnold, Assessor

Fifth Municipal District Assessor

Parish Of Orleans

New Orleans, Louisiana

In planning and performing our compilation of the general purpose financial statements of The Assessor's Office, Fifth Municipal District, Parish Of Orleans, New Orleans, Louisiana, for the year ended April 30, 2004, we considered its internal control structure in order to determine our compilation procedures and not to provide assurance on the internal control structure.

During our compilation we became aware of matters that would be opportunities for strengthening internal controls and operating efficiency. We have summarized our comments in the attached Schedule of Findings. Additionally, we reviewed our prior years management letter and determined that there were no findings, thus no corrective action plan was required.

We will review the status of these comments during our next engagement.

Pepperman, Emboulas, Schwartz & Todaro, L.L.C.

Fifth Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED APRIL 30, 2004

COMPLIANCE WITH LAWS AND REGULATIONS

Reference Number: 2004-01

Fiscal Year Finding Initially Occurred: April 30, 2004

Description of Finding: Failure To File Annual Financial Statements Timely

The Fifth Municipal District Assessor failed to comply with Louisiana audit and reporting laws. Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide* require that all engagements be completed and transmitted to the Legislative Auditor within six months of the close of the entity's fiscal year. Although attempts were made to comply with the above referenced regulations there were delays in obtaining the records necessary to complete this engagement due to illness of the bookkeeper.

Corrective Action Taken: Yes

Planned Corrective Action/ Correction Action Taken:

All financial records necessary to complete our engagement were provided and the engagement has been completed and transmitted to the Legislative Auditor.

Management's Response:

We concur with the above findings and recommendations.

Reference Number: 2004-02

Fiscal Year Finding Initially Occurred: April 30, 2004

Description of Findings:

Budget Amendment - During our audit we noted that total actual expenditures for Travel and Other Charges exceeded budgeted amount by 8.75%. The Assessor did not amend its budget for these unexpected expenditures. Louisiana Revised Statute 39:1310 requires that the governing body amend its budget when total actual expenditures exceed total budgeted expenditures by 5% or more. Although this resulted in a deficit for the current year, it did not create a deficit fund balance.

Corrective Action Taken (Yes, No, Partially): No

Planned Corrective Action/Correction Action Taken:

We recommend that the Assessor monitor its budget on a monthly basis so that variances can be identified on a more timely basis. Once unfavorable variances are identified the Assessor should amend its budget in order to comply with state budget laws.

Management's Response:

We concur with the above findings and recommendations.

Fifth Municipal District Assessor
Parish of Orleans
New Orleans, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED APRIL 30, 2003

COMPLIANCE WITH THE LAWS AND REGULATIONS

Reference Number: 2003-01

NONE